

Washington, D.C. – At a critical time for the health of domestic auto companies, Congressman Joe Sestak (PA-07) brought together representatives from 14 dealerships across the Seventh Congressional District to explain his position on the approach needed to deal with the struggles of an industry vital to a national economic recovery. Attendees had the opportunity to offer their perspectives on ways the government can most effectively intervene to preserve an industry responsible for millions of jobs. The Congressman has made clear that the methods used to assist the auto industry must reflect the fact that dealerships are small businesses, which are responsible for more than 70 percent of job creation. —

“It is my responsibility, especially in the midst of the current fiscal crisis, to engage my constituents about what is being done in Washington to diminish – as much as possible – the negative impact of this economic downturn,” said Congressman Sestak. “Part of the federal government’s overall effort must include assistance for the domestic auto industry. I was disappointed that the Senate did not agree to the legislation that we passed in the House last week, which would have provided bridge loans until March 31, 2009; however, I assured the dealership representatives today that I would continue to work to prevent the industry’s collapse. In addition, our economic plan as a whole must take into account the vital role of small businesses, such as these car dealers.”

The U.S. domestic industry accounts for about ten percent of U.S. industrial production and Ford, GM, and Chrysler support about two to three million American jobs, including auto parts manufacturers and auto dealers across all 50 states.

The Congressman spoke about his correspondence with President Bush that stressed the importance of restructuring the domestic automobile industry so that it could emerge as a viable and competitive global leader. He stressed his position that government intervention was not about saving the present industry which made significant mistakes, but rather the need for a bridge to put in place the building blocks for a transformed, lean, competitive industry that can be a strong source of jobs and a restructured manufacturing capability necessary for our economic security, while avoiding the devastating near-term loss of confidence in our challenged economy. In calling for the use of funds allocated by the Emergency Economic Stabilization Act for automakers, the Congressman said it was with the auto industry in mind that he specifically supported language stating that the application of those resources was not limited to financial institutions.

A point of emphasis during today’s event was that all actions taken to aid the auto industry

would include accountability for the use of government resources. The Auto Industry Financing and Restructuring Act that the Congressman voted for last week held car companies accountable for developing and implementing viable long-term restructuring plans; included restrictions for the use of taxpayer funds to prevent them from being used inappropriately for executive compensation, dividends or distributions; and ensured taxpayer protection through warrants.

“While we must accept that there will be good and bad stretches for the economy in our free market capitalist system, the loss of accountability for use of taxpayer resources has made our current crisis much worse,” said Congressman Sestak. “Restoring this basic principle must be part of every effort our government undertakes.”

The Congressman’s involvement with plans for the auto industry is another example of his ongoing efforts to restore federal transparency in the midst of this economic crisis. In addition to involvement in Congressional hearings examining the root causes and effects of the turmoil in our economy, Congressman Sestak has written to Secretary Paulson last month noting that the “restoration of public confidence in our governmental and financial institutions can not begin until the American taxpayers see consistent enforcement of the oversight provisions – and behavior from the financial institutions acknowledging that many of them share the responsibility for the economic crisis that has engulfed our country and the rest of the global economy.” Therefore, it is most incumbent upon Congress to ensure full transparency through accountable oversight of the actions taken by the Federal Government – correcting the absence of these which led to the market’s failure.

Furthermore, the Congressman wrote to Speaker Nancy Pelosi in November to ask her to join him in demanding Secretary Paulson follow the accountability measures specified in the Stabilization bill and calling on the Democratic leadership to accelerate the assignments of positions on the Congressional Oversight Panel so that it could meet its requirements for supervising use of taxpayer funds. The final appointments were announced on Thursday 21 November, more than 6 weeks after the bill was originally passed by the House and Senate.

Congressman Sestak also has sent a letter to United States Attorney General Michael Mukasey requesting him to “conduct an appropriate and thorough investigation into any and all financial institutions, corporations, and individuals that are suspect of criminal action relating to our current economic crisis.”

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a*

*series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.*

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